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FISCAL IMPACT STATEMENT

LS 7312

BILL NUMBER: HB 1568

NOTE PREPARED: Jan 18, 2009

BILL AMENDED:

SUBJECT: Mobile Camps for Railroad Employees.

FIRST AUTHOR: Rep. Bell

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that a railroad company that houses railroad maintenance of way employees in a mobile camp shall: (1) not later than two business days after maintenance of way employees who are housed and work out of mobile camps arrive at a location, notify the Indiana State Department of Health (ISDH) of the location of the mobile camp and approximate duration of the stay of the maintenance of way employees; and (2) request and permit inspection during railroad employee regular working hours by an employee of ISDH who has been properly briefed on safety and security issues directly related to railroads and railroad property.

The bill requires the executive board of ISDH to adopt rules regarding persons living in railroad mobile camps and that the rules be enforced by employees of ISDH.

The bill also establishes the Railroad Mobile Camp Inspection Fund and provides for deposits to the Fund from certain railroad companies. This bill requires that the rules include a provision that a fee for the inspection of a railroad mobile camp be paid to ISDH, to be deducted from the Railroad Mobile Camp Inspection Fund.

Effective Date: July 1, 2009.

Explanation of State Expenditures: This bill will increase the workload of ISDH to adopt rules regarding the regulation of mobile camps for railroad employees as well as inspect camps as needed. ISDH employees will be required to inspect mobile camps to the extent that railroad employees are housed in these facilities. In order to provide inspection of these facilities, ISDH may charge an inspection fee to cover all expenses necessary to offset expenditures. These fees are intended to be provided by the Railroad Mobile Camp

Inspection Fund.

Each railroad company is required to make a \$5,000 deposit into the fund annually to cover the costs of inspections performed by ISDH. Money in the fund is expected to be tabulated by each individual railroad company to track deposits and inspection expenses for each company. When a railroad company's balance falls below \$1,500, ISDH is required to inform the railroad company that a deposit is needed to return the balance to \$5,000. This bill will require ISDH to devise and use an accounting system to track deposits and expenses made by each railroad company as well as ensure that companies maintain an adequate balance with ISDH.

ISDH reports that in order to implement the bill, additional part-time support staff would be necessary to assist field staff as well as hardware and software set-up to aid in reporting and tracking of money in the Railroad Mobile Camp Inspection Fund. The funds and resources required could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions. [ISDH reverted approximately \$4.4 M to the General Fund at the end of FY 2008.]

Explanation of State Revenues: The Railroad Mobile Camp Inspection Fund is established and consists of \$5,000 deposits made by each railroad company that operates in Indiana. The fund is administered by ISDH. This bill will increase revenue collected by ISDH from the \$5,000 prepaid fees assessed from railroad companies.

The Department of Local Government Finance reports that there are 38 railroad companies who pay property taxes in Indiana. If these companies provide ISDH the initial payment of \$5,000 for FY 2010, revenue to the fund is estimated to be \$190,000. Each year thereafter, ISDH will receive revenue from deposits from railroad companies to ensure that their accounts have \$5,000 for the duration of the fiscal year. Additionally, if during the fiscal year a company's balance falls below \$1,500 the company would be required to deposit additional money to maintain a balance of \$5,000. ISDH will receive additional revenue each fiscal year from company deposits and any amounts companies are required to pay if their balance falls below \$1,500.

Explanation of Local Expenditures: This bill removes the responsibility of inspecting mobile camps from local health department officials and transfers that responsibility to ISDH. Local expenditures to provide inspection services are expected to decrease as a result. However, any local expenditure decreases from the bill are expected to be transferred to ISDH to provide inspection services for mobile camps.

Explanation of Local Revenues: This bill will decrease local revenue received from inspection fees. Actual decreases in local revenue are indeterminable. However, as current law allows inspection fees to cover all expenses incurred by local health departments for costs of inspecting mobile camps, the decrease in local revenues may correspond to the decrease in local expenditures.

State Agencies Affected: ISDH.

Local Agencies Affected: Local health departments.

Information Sources: Scott Zarazee, ISDH; Keilah Heffington, Department of Local Government Finance,

232-3756.

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